

Report to: Audit & Accounts Committee Meeting 4 March 2026

Director: Sanjiv Kohli Deputy Chief Executive, Director – Resources & Section 151 Officer

Lead Officer: Jenna Norton, Senior Accountant, Financial Services on ext 5327

<b>Report Summary</b>	
<b>Report Title</b>	Capital Strategy 2026/27
<b>Purpose of Report</b>	To seek Committee approval to the Capital Strategy 2026/27, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.
<b>Recommendations</b>	<p>That Committee approves each of the following key elements and recommends these to Full Council on 5 March 2026 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:</p> <ul style="list-style-type: none"> <li>• The Capital Strategy 2026/27 <b>Appendix A</b>.</li> <li>• The Capital Prudential Indicators and Limits for 2026/27, contained within <b>Appendix A</b>.</li> <li>• The Minimum Revenue Provision (MRP) Policy Statement as contained within <b>Appendix C</b>, which sets out the Council’s policy on MRP.</li> <li>• The Flexible Use of Capital Receipts Strategy, contained with <b>Appendix D</b>.</li> </ul>
<b>Reason for Recommendation</b>	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

## **1.0 Background**

1.1 The Capital Strategy outlines the principles and framework that shape the Council’s capital decisions. The principal aim is to deliver a programme of capital investment that contributes to the achievement of the Council’s priorities and objectives as set out in the Corporate Plan.

1.2 The Strategy defines at the highest level how the capital programme is to be formulated; it identifies the issues and options that influence capital spending and sets out how the resources and capital programme will be managed.

1.3 Statutory Requirements:

- The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Capital Prudential Indicators each financial year to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

#### 1.4 CIPFA Requirements:

- The Prudential Indicators set out the expected capital activities during the financial year (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities).
- Delegation by the Council of the role of scrutiny of Capital Strategy and Policies to a specific named body. For this Council the delegated body is the Audit and Accounts Committee.

## 2.0 Summary of Capital Expenditure and Financing

2.1 The table below summaries the total forecasted capital expenditure and financing over the next three years, further breakdown is contained within the Strategy;

	<b>2026/27 Budget £'000</b>	<b>2027/28 Budget £'000</b>	<b>2028/29 Budget £'000</b>
<b>Total Capital Expenditure</b>	<b>69,989</b>	<b>40,297</b>	<b>19,306</b>
Capital Grants	16,470	9,637	2,465
Other Contributions	927	218	0
CIL	0	0	0
Capital Receipts	3,593	3,021	1,164
Revenue/ Major Repairs Reserve	20,160	6,054	1,728
Borrowing	28,839	21,367	13,949
<b>Total Capital Financing</b>	<b>69,989</b>	<b>40,297</b>	<b>19,306</b>

### Background Papers and Published Documents

CIPFA Prudential Code Local Government Act 2003

CIPFA Treasury Management Code of Practice